



# **Changes in Nonproliferation Export Controls**

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# Nuclear Suppliers Group

- March 2005 CG meeting
  - Progress made on U.S. Presidential proposals of February 2004 to strengthen the IAEA.
    - Making the Additional Protocol (AP) a condition of nuclear supply
    - Restrict transfers of Enrichment and Reprocessing (ENR) technology
    - Suspend nuclear cooperation with States found by the IEA as non-compliant with safeguard obligations.
  - U.S. will continue to press for progress on all of the Presidential IAEA proposals at the June 2005 CG and Plenary in Oslo.



# Nuclear Suppliers Group

## ■ Membership:

- May 2004 – NSG Plenary welcomed China, Estonia, Lithuania and Malta as new members.
- Total membership = 44 Countries
- U.S. has not given license free benefits to these four new countries



# Nuclear Suppliers Group

- Other guideline proposals:
  - Consider the recipient's ability to control reexports as a factor in reviewing applications
  - Clarification of the full-scope safety exemption
  - Clarification of the "grandfather clause"



# Missile Technology Control Regime

- MTCR Plenary October 2004
  - Partners welcomed the Republic of Bulgaria as a new member
  - Partners Recognized need to consider issues of intangible transfer of technology; transit, transshipment and brokering controls; and the need to curtail the activities of intermediaries and front companies
  - Partners adopted new controls on ball bearings and revised measurement ranges and parameters to clarify and modernize the control text
- In March 2005, the U.S. placed four Syrian missile proliferation related entities on the Entity List



# Missile Technology Control Regime

## ■ MTCR Catch-All

- Interim rule that amends the Export Administration Regulations (EAR) by:
  - Removing the list of missile projects of concern and expanding license requirements for missile-related end-users and end-uses.
  - Expands the scope of end-uses to which a license requirement applies to include certain rocket and unmanned air vehicle activities in certain countries of concern for missile proliferation reasons.

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# Missile Technology Control Regime

## ■ MTCR Catch-All (cont.)

- Implements a new license requirement for exports, re-exports and transfers when you know or are informed that an item subject to the EAR will be used in rocket systems or unmanned air vehicles under the following situations:
  - Destined for countries in country group D:4 when the rocket/UAV can fly further than 300km
  - Destined for any country except the declared NPT nuclear weapon states that are also NATO members, when the rocket/UAV can deliver WMD regardless of range capability
  - Destined for countries in country group D:4 when the exporter cannot determine rocket/UAV characteristics or end use

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# INDIA

- U.S. continues to work with India to stimulate bilateral high technology trade and enhance cooperation in the area of export control.
  - September 2004: U.S. published changes to Entity List as part of initial stage of the three stage Next Steps in Strategic Partnership (NSSP) with India.
  - U.S. removed Indian Space Research Organization (ISRO) Headquarters, Bangalore from Entity List.





# INDIA

- U.S. removed export license requirements for items subject to the Export Administration Regulations (EAR) with a classification of EAR99 or a classification where the third through fifth digits of the ECCN are ``999", e.g. XX999, for the seven (7) ISRO subsidiaries listed on the Entity List.
- U.S. established a presumption of approval for all items not controlled for nuclear proliferation reasons going to the ``balance of plant" portion of Indian nuclear facilities subject to IAEA safeguards.



# CHINA

- NSG Plenary – May 2004
  - China admitted as participant.
  - Significant because China is last NPT Nuclear Weapons State to join the NSG.
  - U.S. has not yet afforded China license-free treatment for dual-use items
- China formally applied to MTCR, Fall-2004.
  - Partners are engaged in outreach to China
  - As of the RPOC in April 2005, no decision on China's membership had been made



# Enhanced Proliferation Control Initiative (EPCI)

Are more EPCI  
changes to come?

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# **Enhanced Proliferation Control Initiative (EPCI)**



**I want to export EAR99 items for use  
in a short-range missile. I assume  
this is considered a missile activity.**

**How do I know if a license is  
required?**

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# **Enhanced Proliferation Control Initiative (EPCI)**

**Recently, we received an export inquiry  
for stainless steel pipe for use in a  
nuclear power plant in Taiwan.**

**Do I need to apply for a license under  
Part 744.2 of the EAR?**

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# **Enhanced Proliferation Control Initiative (EPCI)**

**We recently received an offer to supply a  
machine tool that isn't controlled to a tank  
and cannon factory in China.**

**My boss told me to apply for a license  
because of EPCI.**

**Is this an EPCI activity?**

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# **Enhanced Proliferation Control Initiative (EPCI)**

**I am a distributor of college textbooks.  
I often get requests for foreign  
customers for textbooks on  
nuclear engineering.**

**Should I be worried about EPCI?**

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# **Enhanced Proliferation Control Initiative (EPCI)**

**My company recently had an export  
license for a machine tool denied for  
China. The reason for denial was missile-  
related. This item isn't even controlled  
for missile reasons.**

**What's going on?**



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# Questions?

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